

# Pathways to integration



01

# Now is the time for Integrated Reporting



# WHY?



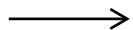


BECAUSE INTEGRATED REPORTING ADDRESSES BROADER VALUE CREATION.





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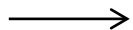


ADDRESSING BROADER VALUE CREATION REFLECTS,

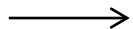




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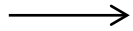


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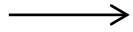


IF COMPANIES ARE ABLE TO CONTRIBUTE TO OUR FUTURE.





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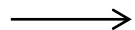


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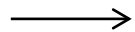


AND OUR FUTURE





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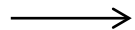
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IF COMPANIES ARE ABLE TO CONTRIBUTE TO OUR FUTURE.



AND OUR FUTURE



REQUIRES OUR ATTENTION. NOW.

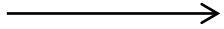




## How to report broader value creation



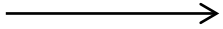
# FINANCIAL AND NON-FINANCIAL DISCLOSURES



Broader Value Creation

- Reporting beyond financial performance
- Based on various reporting standards/recommendations, e.g.
  - IFRS
  - GRI Standards
  - UN Global Compact
  - Integrated Reporting Framework
  - SASB Standards
  - Sustainable Development Goals

# MEANINGFUL INFORMATION IN TIMES OF UNCERTAINTY



Increased transparency

- Future orientation and a strategic focus
- Risk management reporting
- Stakeholder interests and external conditions
- Understand the connections: Integrated Thinking

# FROM ISOLATED TO INTEGRATED

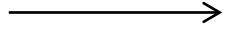
## Traditional Reporting

- Focus on financial information
- Retrospective
- Short term
- Limited disclosure of mandatory information
- Compliant and rule-consistent
- Detailed and complex

## Integrated Reporting

- All relevant capitals
- Future-oriented with strategic focus
- Short, mid, and long term
- Increased transparency/  
holistic view
- In consideration of external conditions
- Concise and substantial

# INTEGRATED REPORTING



Main topics



Management &  
Governance

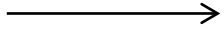
Business Model &  
Capitals

Stakeholder-  
management

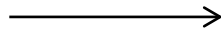
Sustainability  
Reporting

Integrated  
Thinking

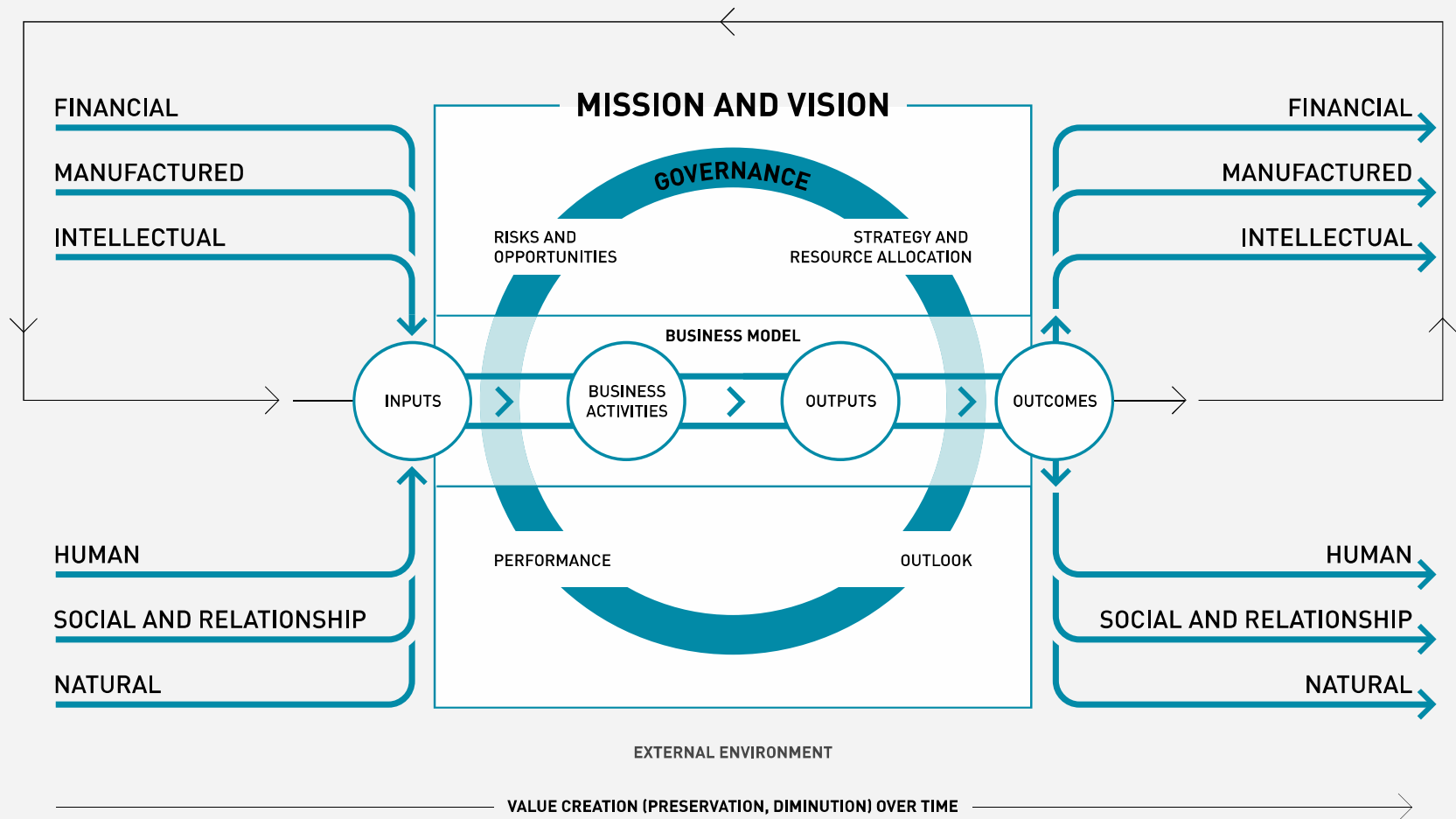
# WHERE INTEGRATED REPORTING BEGINS



Business Model &  
Capitals



- Value creation
- Inputs, business activities, outputs, outcomes
- Performance
- Risk management
- Strategic focus and resource allocation
- External environment



03

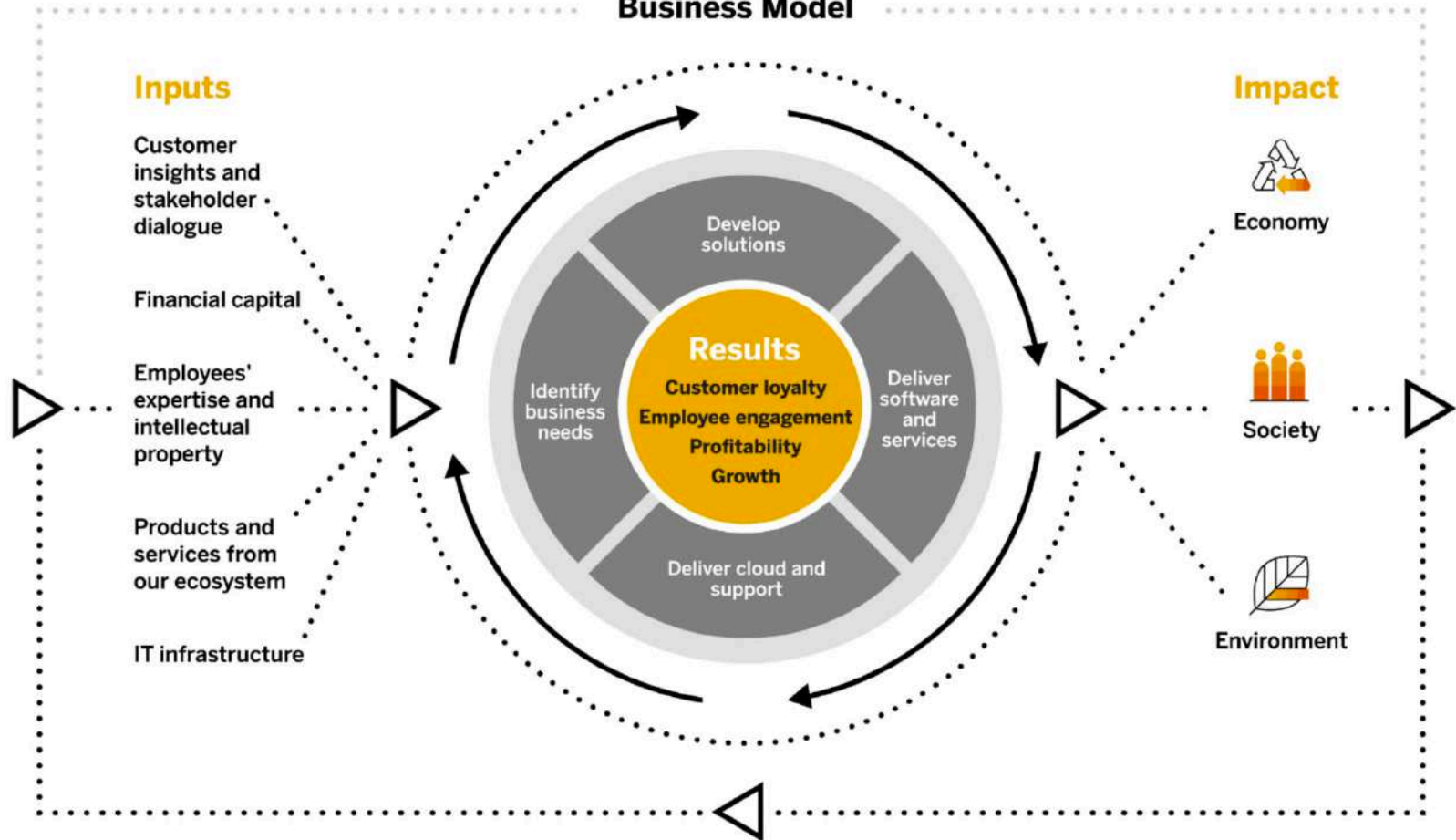
**Be inspired  
by good practice**





# SAP's Impact

## Business Model



## Borsa Istanbul Fully Integrated Business Model

### INPUTS



#### FINANCIAL CAPITAL

Financial capital is comprised of our operations which have strong cash generating capacity and resource diversity, and the returns obtained from investments.

Paid-in Capital: TL 422 million  
2019 Operating Expenses: TL 791 million



#### HUMAN CAPITAL

Human capital is comprised of qualified employees, teams specialized in technology, and support personnel who will carry out operations which require a strong leadership team and specialist efforts.

No. of Employees: 1,090  
Borsa Istanbul: 884  
Taksasbank: 298  
HSC: 212



#### INTELLECTUAL CAPITAL

Intellectual capital is comprised of the license to provide a trading platform for capital market instruments, BISTECH - the world's leading trading technology with secure codes, product development operations and the rules and regulations created as a self-regulating organization.



#### MANUFACTURED CAPITAL

Manufactured capital is comprised of the Primary Data Center (PDC) which allows investors to perform trading more rapidly and seamlessly and the highest standard in terms of technological security, collocation infrastructure, Disaster Recovery Center located in Ankara, production, market vault and the campus in which the group companies operate in an integrated manner.

The PDC established on an area of 1,500 m<sup>2</sup>, 1,400 tonnes of gold storage capacity  
The 1,400 m<sup>2</sup> BISTECH 880 Center



#### SOCIAL AND RELATIONSHIP CAPITAL

In addition to good employee relations and the investor confidence required to realize our operations effectively and improve on them, our social and relationship capital also consists of constructive communication with public authorities and regulatory agencies, partnerships with NGOs, and our local and global collaborations.



#### NATURAL CAPITAL

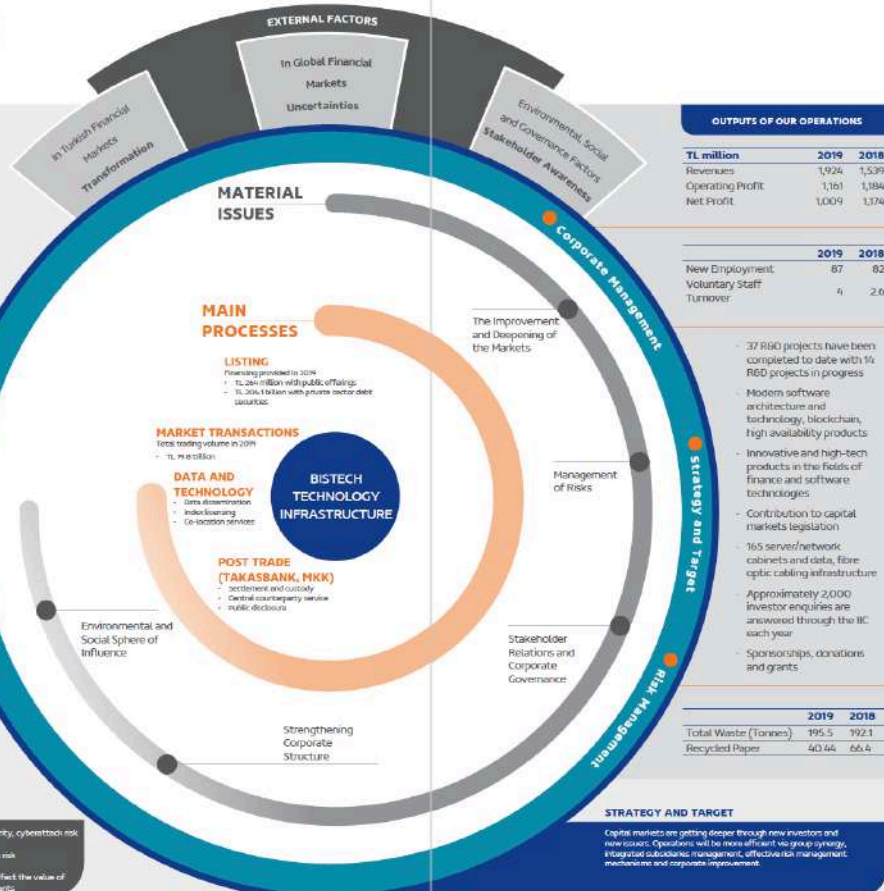
In addition to electricity and water use of the PDC constitutes our natural capital.

13.1 million kWh of energy consumption  
25,960 m<sup>3</sup> of water consumption

### 10 PRIMARY RISKS

- Conjectural risks
- Information technology risks
- Business continuity and operational risks
- Reputation risk, confidence loss of stakeholders
- Failure to fully/completely comply with the legislation

- Information security, cybersecurity risk
- Strategy risk
- Human resources risk
- Liquidity risk
- Risks that may affect the value of financial instruments



## OUTCOMES OF OUR OPERATIONS

### VALUE GENERATED FOR STAKEHOLDERS

#### WE PROVIDE FINANCING AND RISK MANAGEMENT PLATFORMS

As Turkey's sole stock market, we offer one of the most liquid markets in the world which meets our companies' long-term financing needs and provides fair price formation for stocks. We provide investors seeking to avoid risks with the opportunity to take positions in our derivatives market.

#### WE ENHANCE OUR FINANCIAL INFRASTRUCTURE

In order to support Istanbul's status as a finance centre, we expand the product mix with new products and services. We ensure that transactions are performed fairly, honestly and competitively therein to the constantly developing market surveillance system.

#### WE IMPROVE FINANCIAL LITERACY

We ensure the improvement of financial literacy. We contribute to the spread of capital market investments to the base of society by extending the culture of partnership.

#### INTERNATIONAL CAPITAL FLOWS COME TO TURKEY VIA BORSA ISTANBUL

We ensure Turkish economy benefits from foreign capital flows which provide more than half of the investment in the free float part of our companies. We contribute to the image of publicly traded companies by increasing their international visibility.

#### WE WORK FOR A SUSTAINABLE FUTURE

We undertake awareness-increasing efforts to spread the environmental, social and corporate governance principles at the companies, and calculate indices. Through public offerings, we ensure companies adopt principles of transparency and accountability and enhance their decision-making mechanisms and business processes.

#### WE VALUE OUR SHAREHOLDERS

Within the framework of our profit distribution policy, which sets out a target of distributing at least 55% of the period profit, we share the profit which we generate throughout the year.

#### WE VALUE OUR EMPLOYEES

Employees choose Borsa Istanbul as an employer due to its strong focus on safe benefits, its pioneering stance in financial technology and its emphasis on employee improvement. We invest heavily in our employees and to their improvement, and in the sector, to the benefit of society.

## OUR BUSINESS MODEL

Gold Fields has firmly positioned itself as a globally diversified gold mining company with a portfolio characterised by mechanised underground and open-pit mines.

### INPUTS

#### Human Capital

Our 5,615 employees and approximately 12,000 contractors (at end 2019) provide the manpower and skills that support the delivery of our immediate and long-term strategic objectives.

#### Natural Capital

Water and energy are critical to our mining and processing activities, while access to land enables us to extract gold and copper resources.

#### Social and Relationship Capital

The quality of the relationships we have with our stakeholders, who have a substantial influence on our ability to create value, are integral to our licence to operate. Furthermore, the support from our host communities and relationships with governments are critical to our long-term sustainability.

#### Financial Capital

We depend on banks, shareholders and bond holders to provide the financial capital we require to expand our operations, thereby ensuring our long-term sustainability.

#### Manufactured Capital

Contractors and suppliers supply the manufactured capital, including goods and services, needed for the development and sustainability of our operations.

#### Intellectual Capital

The intellectual input of our people and partners inform the development of strategies, the efficient use of machinery and the management of key business risks. We are further supported by a strong ethos of good governance, which underpins everything we do.

Through an **active portfolio management approach throughout the mine lifecycle**, we build a strong and diversified global portfolio of mines and projects by focusing on the following elements:

- Acquiring or developing lower-cost (than Group average) longer life assets
- Disposing of higher-cost, shorter-life assets that management believes can be better served by a company that has more time and resources to commit to them
- Extending the life of current assets through near-mine brownfields exploration
- Focusing on in-country opportunities to leverage off our existing footprint, infrastructure and skill set and capitalize on the experience we have gained from operating in these jurisdictions
- Environmental stewardship, through which we protect and enhance relationships between our operations and communities in close proximity

### OUTCOMES FOR THE BUSINESS AND STAKEHOLDERS

#### Human Capital

- + US\$60m paid in salaries and benefits
- + US\$10m spent on training and development
- One fatality incident
- Regression in TRIR to 2.19
- 12 serious injuries

#### Natural Capital

- + 21m Level 3-5 environmental incidents
- + 22,30L water withdrawn, with 66% of water recycled
- + 12,498TJ of energy consumption
- + 1.94m tonnes of CO<sub>2</sub> emissions
- + 141Mt of tailings material moved
- + 48Mt of tailings stored
- + All mines, except for South Deep, implemented at least 78% of their progressive reclamation plans

#### Financial Capital

- + US\$602m in mine cash-flow
- + US\$180m paid in interest and dividends
- + Decrease in net debt to US\$1.03bn (2018: US\$1.60bn)
- + JSE share price up 94%, NYSE share price up 88%
- + Total dividend of R1,900/share declared, up 4x from 2018
- + US\$430m in gross mining closure liabilities



### DURING 2019

#### Social and Relationship Capital

- + US\$22m invested in projects that benefit our host communities
- + Employment for 8,399 members of our host communities (55% of total workforce)
- + US\$60m spent on host community infrastructure (94% of total procurement costs)
- + 32% of our workforce are women
- + US\$254m paid to governments in taxes and royalties
- + 77 community grievances (improvement from 127 in 2018)

#### Manufactured Capital

- + Nine operating mines (including our Asanko, JM)
- + Solomons' mine in Chile progressed to successful construction decision
- + Invested US\$6m in near-mine exploration (not Solomons mine)
- + Guyana's attained commercial production at the end of September 2019
- + Damang Reinvestment project in Ghana nearing completion

#### Intellectual Capital

- + Renewable energy introduced at Agnew and Damang DMs
- + Drones deployed at Tarkwa and Damang to conduct remote surveying
- + Gerry Smith, South Deep and Stibbs introduced their people and equipment tracking systems
- + Continued investment in South Deep, South Africa's largest bulk, mechanised, underground gold mine
- + Fibre networks installed underground in certain operations



## — HOW WE CREATE VALUE —

## INPUTS



## FINANCIAL CAPITAL

Pool of necessary funds (equity, debt and grants) provided by banks and shareholders, or generated through operations or investments



## HUMAN CAPITAL

Competencies, capabilities and experience of our employees, our key asset, and the capacity to add value through human capital development



## MANUFACTURED CAPITAL

Tangible, production-orientated goods and infrastructure owned, leased or controlled by Sanford that contributes to the delivery of our products and services



## INTELLECTUAL CAPITAL

Intellectual property, brand and reputation, a key element of our future earning potential and competitive advantage



## NATURAL CAPITAL

Stock of natural resources or environmental assets (water, atmosphere, land, materials, biodiversity and ecosystem health) that are fundamental to our future prosperity



## SOCIAL &amp; RELATIONSHIP CAPITAL

Relationships within Sanford, and between Sanford and its external stakeholders, which are essential to retaining our social licence to operate, including relationships to maintain quotas and licences

## OUR BUSINESS

## VALUE CREATION PROCESS OVER TIME

Our value creation process is impacted by the external environment in which we operate, which includes economic conditions, technological change, societal change and environmental conditions



## OUTPUTS

## OUTCOMES

BEAUTIFUL  
NEW ZEALAND  
SEAFOOD

# \$545.1M

REVENUE IN 2019

HIGHS AND LOWS  
PAGES 20-21



## ENSURING HEALTHY OCEANS AND PROTECTING AND ENHANCING THE ENVIRONMENT

We will lead by example in health ocean management so that future generations can enjoy and benefit from our biologically diverse, safe and healthy oceans.

We will work with our people, customers and suppliers to lead the way in maximising resource utilisation, minimising our footprint and protecting the environment wherever we operate.



## CREATING A SAFE AND HIGH PERFORMING WORKPLACE

We strive to become an employer of choice by delivering industry leading safety risk management, ensuring a culture of high performance and growth and by living our values.



## LEADING THE WAY TO HEALTHY FOOD AND MARINE EXTRACTS

We will lead the way in driving sustainable performance across our value chain, and positioning our brand as the industry partner and supplier of choice.



## SUPPORTING STRONG COMMUNITIES AND PARTNERSHIPS

Our leadership in creating employment and skills opportunities, coupled with our understanding of the needs of our communities and partners, ensure we deliver a significant and positive contribution everywhere we work.



## DELIVERING CONSUMERS' EXPECTATIONS

We will work with customers and consumers to bring them the best of our sustainably harvested seafood and marine extracts, demonstrating great care for our beautiful New Zealand products and achieving the optimal value for these precious resources.



## BUILDING A SUSTAINABLE SEAFOOD BUSINESS

We will endeavour to deliver sustainable, profitable and socially beneficial outcomes through our people, sector leadership, approach to innovation and risk management strategies.



OUR VISION

THE BEST  
SEAFOOD COMPANY IN  
THE WORLD

OUR PURPOSE

WE SHARE THE NATURAL GOODNESS OF OUR OCEANS  
WITH UNCOMPROMISING CARE

OUR VALUES

CARE

PASSION

INTEGRITY

ACHIEVING TOGETHER

# Our business model

## We consult and plan for short, medium and long term horizons

We provide essential water and wastewater services to millions of customers every day, and this relies on a variety of key resources. How we manage these is influenced by external drivers and relationships with a variety of stakeholders.

Consultation with customers and other stakeholders forms an integral part of our planning process across the short, medium and long term, and our work delivers a range of long-term benefits for many different stakeholder groups. This value creation feeds back into the continuous cycle of what we do.

Read more about our long-term resources and the impact of external drivers on pages 20 to 34.

Read more about our planning horizons on pages 44 to 50.

## Our external drivers and relationships

### Natural environment

The natural environment is constantly changing, and we must adapt and prepare for future impacts such as climate change and population growth. Our use and return of water to the environment is a continuous cycle, and returning water cleanly and safely, as well as managing our catchment land effectively, allows this cycle to begin again from the best starting point.

### Technology and innovation

New technologies and innovative ideas present opportunities for us to make things faster, better, safer and cheaper. These can come from all over, which is why we encourage innovation externally and internally at all levels of the business, from our annual CCO Challenge and dedicated innovation team to our innovation Lab.

### Stakeholders

Our work and the huge areas of land we manage puts us at the heart of communities in our region, and impacts a large variety of stakeholders. We build relationships and consult with them in developing and executing our plans.

### Natural resources

We rely on natural sources of water that we collect for treatment, and manage large areas of catchment land in a sustainable way. We rely on watercourses where we return wastewater safely and cleanly to the environment, and we process biosources from wastewater to generate renewable energy, which helps to reduce our carbon footprint and energy costs.

### Assets

Our significant capital investment programme helps to grow our business while building resilience and maintaining and enhancing sustainable long-term assets. We use telemetry across the network to manage our assets as one integrated network from our Integrated Control Centre as part of our Systems Thinking approach.

## Our key resources

### Regulatory environment

Sustainable business means preparing for future market reforms as well as meeting current regulatory commitments. We place great value on our relationships with economic, quality and environmental regulators, engaging actively and influencing where we can.

### People

We rely on employees and suppliers to deliver our services to customers. We are committed to attracting, developing, training and motivating a diverse and skilled workforce. We build effective relationships and work with suppliers who share our values. We have remuneration incentives based on performance and a long-term incentive plan.

### Financing

Financing allows us to preserve intergenerational equity for customers while funding long-term capital investment. We maintain a robust capital structure with an appropriate level of gearing level and prudent risk management. We have long-term debt locked in at good relative value and maintain access to a range of markets. We proactively engage with equity and credit investors.

### Political environment

We engage with regional and national politicians as well as policy makers, through regular meetings and conferences, in relation to areas such as our local investment schemes, our economic contribution to the North West, and key policy issues affecting the water industry.

### Economic environment

We are impacted by market rate movements, such as interest rates and inflation, and seek to manage these prudently to reduce risk as far as practical. We operate in an area with high levels of extreme deprivation, so helping vulnerable customers is particularly important for us.

## We deliver the outcomes set out in our regulatory contract

What we do is set out in our regulatory contract, which details the price and service package we will deliver in each five-year period split out by price control areas – wholesale water, wholesale wastewater and household retail. The fourth price control, non-household retail, sits within our joint venture, Water Plus.

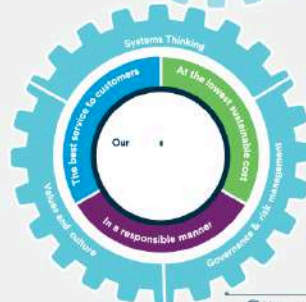
How we do it is set out in our strategic themes, and everything we do is underpinned by our values and culture, and our governance and risk management. Our pioneering Systems Thinking approach to operating our business is a competitive advantage.

We review progress on outcomes we have promised to deliver for customers in the regulatory period, and we measure our performance against operational KPIs as well as financial measures.

These outcomes and KPIs fit within the framework of our three strategic themes.

## How we operate

What we do  
Read more about what is involved in the provision of wholesale and retail services in our water cycle on pages 12 and 13.



How we do it  
Read more about our strategy on page 15, and more about our competitive advantages on page 17.

## Our outcomes and KPIs

### The best service to customers

**Outcomes**

- Provide great water;
- Dispose of wastewater; and
- Deliver a service customers can rely on.

**KPIs**

- Wholesale ODI composite;
- SIM – qualitative; and
- SIM – quantitative.

### At the lowest sustainable cost

**Outcomes**

- Value for money; and
- Improved efficiency.

**KPIs**

- Total outperformance;
- Financing outperformance; and
- Household retail cost to serve.

### In a responsible manner

**Outcomes**

- Protect and enhance the environment;
- Support local communities; and
- Support employees in a safe workplace.

**KPIs**

- Leakage;
- EA performance assessment; and
- Dow Jones Sustainability Index.



## Our business model

### Key resources and the impact of external drivers

#### Natural resources

We rely on a variety of natural resources to deliver water and wastewater services, and we impact those natural resources through our operations, such as the circular nature of the water cycle. We also generate renewable energy from the sun and wind.

We rely on natural sources of water to supply customers. We hold abstraction licences for a number of reservoirs, rivers and boreholes that permit us to take water from the natural environment in a safe and sustainable way which we then treat, store and transport across the region.

Nearly half the water we abstract originates from land we own and manage, run-off from this land impacts the quality of the water, so managing it well helps us provide reliable and clean water, reducing risk and increasing our resilience. We help protect habitats and species designated as nationally and internationally important, many of which make their homes on this land.

We rely on watercourses to take effluent back into the environment after extensive cleaning to ensure it meets environmental consents. This protects the health of the natural environment, which enhances recreational value for our communities, protects rare species and wildlife habitats, and provides economic benefits such as underpinning the local tourism industry.

We extract bioresources from wastewater, using anaerobic digestion to break it down into biogas and biosolids. Biogas is used to generate renewable energy through combined heat and power plants, reducing our energy costs and carbon footprint. Biosolids are treated to provide a valuable source of nutrients and organic matter as high-quality fertiliser for farmers.

#### Impact of external drivers

##### Natural environment

Our long-term planning looks far into the future to ensure we are prepared for the challenges of a changing natural environment. The most significant anticipated impact comes from climate change, and in particular the long-term changes in average temperature and rainfall. Water companies must adapt to meet the challenges climate change presents, and this creates both risks and opportunities.

The main opportunity is the potential for water sharing. Our region typically receives higher average rainfall than other parts of the country, meaning the availability of raw water tends to be less constrained than in the comparatively drier south. Ofwat indicated in its initial assessment of company business plans for 2020-25 that it would provide us with £25.7 million funding for feasibility and planning work with respect to a potential

north-south transfer of water as part of the development of strategic water resources options for the south and south east.

The main risks are the impact of prolonged severe dry periods, which constrain water resources, and intense periods of heavy rainfall, which increase the risk of flooding and pollution incidents.

Our response to climate change risk can be split into two areas: mitigation and adaptation.

- 1 Mitigation – reducing carbon emissions to minimise our contribution to climate change.

The key contributor to climate change is an increase in greenhouse gases. There is global scientific agreement that as a result of human activity the amount of greenhouse gases in the atmosphere is increasing and affecting the global climate. We have been driving down our carbon footprint (net operational emissions in 2018/19 were over 70 per cent lower than 2005/06) and have plans to reduce it further, mainly through our energy strategy.

We have assessed our operational sites for their potential to generate renewable energy through either solar panels or wind turbines. We are working on plans to substantially increase our renewable energy production across the current regulatory period to 2020, mainly from solar, and this year we generated the equivalent of over 20 per cent of our electricity consumption through renewable energy. This provides environmental benefits as well as energy cost savings.

The anaerobic digestion of bioresources reduces our carbon emissions as well as saving energy costs and producing a high-quality fertiliser. Our advanced digestion facility at Dwylluanne wastewater treatment works is one of the largest of its type, making the site energy self-sufficient, with surplus energy exported to the national grid.

- 2 Adaptation – improving the resilience in our water and wastewater business.

The potential effect of climate change on our future water resources is considered in our 25-year Water Resources Management Plan, and we published two adaptation reports in 2011 and 2015 outlining our holistic, integrated and partnership approach to a range of short, medium and long-term challenges including climate change.

Read more about our [long-term planning](#) on page 88

It is predicted that climate change will result in the North West experiencing higher daily temperatures all year, and a shift in our rainfall from summer to winter. More occurrences of heavy rainfall are expected, with higher rainfall in winter but more

frequent and/or severe drought events predicted in summer.

We have first-hand experience of the impacts of extreme weather events on our operations and customers – during 2018 we experienced two weather extremes, with a deep freeze followed by rapid thaw in the early part of the year, and then extremely hot, dry weather coupled with significantly increased demand for water over the summer.

Read more about these [weather extremes in our business resilience](#) on page 91

Coping with extreme hot, dry periods requires action in relation to both supply and demand.

Supply is managed by ensuring we continue to have resilient water resources and infrastructure capable of moving water efficiently around the region. We have an integrated supply zone covering the majority of our region operated using our Systems Thinking approach. This helps us to manage water supply and demand and, where there is any potential shortfall, we bring more supplies online to meet demand. Generally this system is proficient, but there are cases that require further improvements to deal with future challenges. Our West East Link Main pipeline runs between Manchester and Liverpool, allowing transfer of water across our region, and the extreme dry weather in 2018 gave us cause to increase the capacity of this pipeline, as well as bringing additional groundwater sources online, both of which increased our resilience.

Demand is managed by encouraging and supporting customers to use water efficiently. We have increased our efforts in this area and ran a number of high profile campaigns in summer 2018 when demand was much higher than normal. We encourage customers to save water through education initiatives to raise awareness, shared water saving tips on our website and through social media, and providing free water-saving devices. We work with external partners to expand our messaging further afield, and have increased the number of water meters installed, with 44 per cent of households in our region now fitted with meters.

Coping with periods of intense heavy rainfall requires action to cope with excess surface water drainage while minimising the risk of sewer flooding, pollution and spills.

Traditional interventions, such as storage tanks and enlarging sewers, are costly and subject to constraints for space, particularly in urban areas with little permeable ground. Innovation is needed to find new solutions, which is why we have increased our focus on the use of sustainable drainage solutions in recent years, working with partners to transform grey areas into living planted parks.

Our operations produce sludges, excavated materials and general office waste, which we are committed to managing in a sustainable way. Less than five per cent of our waste goes to landfill, we use recycled products where practical, and are working to reduce the use of plastics. We look for ways to reduce our use of raw materials to minimise our environmental impact and increase efficiency.

#### Stakeholders

Our catchment land is open to the public: with an estimated nine million visits a year, providing access to the beauty and recreational benefits that the natural environment offers, and boosting the local tourism industry.

Much of our catchment land is managed by tenant farmers, or in partnership with other organisations such as the RSPB and Wildlife Trusts. We are increasingly looking at integrated catchment solutions, taking a holistic view of issues and solutions within catchments, working with others to improve the lakes, rivers and coastal waters in our region, and often utilising the natural environment as part of the solution. We have a long history of doing this through our award-winning sustainable catchment management programme (SCaMP), which has shown we can manage our catchment land to protect and enhance water quality and to provide other benefits such as an improving biodiversity.

We are one of many organisations with a role to play in boosting the quality of bathing water along the North West coast. With strict bathing water standards, we continue to work with partners to improve the quality of rivers and coastal waters, and give the public real-time information on bathing water quality.

#### Link to our strategic themes

##### The best service to customers

Customers have told us they value the natural environment and want us to protect and enhance the region's natural resources as part of our activities, and this was one of the outcomes that we committed to deliver as part of our business plan for the 2015-20 regulatory period. Many of our outcome delivery incentives are directly linked to the environmental impacts of our water and wastewater services and to protecting and enhancing the environment. We help customers do their bit for the environment and save money on their bills through our water-saving initiatives and 'what not to flush' campaigns to prevent sewer blockages.

#### Technology and innovation

Innovation is one of our core values, and we embrace new treatment technologies and efficient approaches that use less resources. The development of connected technologies and Systems Thinking enables greater control and flexibility to operate our networks and assets to reduce our environmental impact.

#### Regulatory environment

Our regulatory framework shapes the way we manage natural resources and our interaction with the environment, and we work with our environmental regulators to agree long-term plans. The Environment Agency (EA) assesses water companies' performance across a basket of measures including regulatory compliance, pollution incidents and improvement plans.

#### Political environment

Many of our environmental regulations are based on EU legislation; therefore, there may be changes after the UK leaves the EU. The UK government published its 25-year Environment Plan for England and Wales in 2017, setting out its environmental ambitions. This plan, subject to any changes following exit from the EU, influences our activities and long-term investment plans.

The influence of devolved metro mayors in our region is starting to impact development and spatial planning, including the natural environment. Maintaining a close working relationship helps us work together to improve the natural environment in the region.

Global politics also has an impact on what we do. See page 46 for how we are contributing to the UN's Sustainable Development Goal 6 'Ensure access to water and sanitation for all'.

#### Management and measurement

We have an ISO-accredited environment management system that covers the whole business, and is externally certified through six-monthly surveillance visits.

We have a comprehensive set of environmental strategies covering our approach to carbon management, waste and resources, biodiversity and water use.

Our environmental policy is available on our website at [environment@unitedutilities.com/commitment/responsibility/environment](#)

We manage our own woodland in a sustainable way to protect water quality, conservation, access, recreation and timber, and have been Forest Stewardship Council® (FSC®) certified since 2003.

A number of our operational KPIs are directly linked to the protection and enhancement of the natural environment, such as leakage, EA performance assessment, and some of our wholesale outcome delivery incentives, such as measures of our contribution to improving rivers and bathing waters, and pollution incidents.

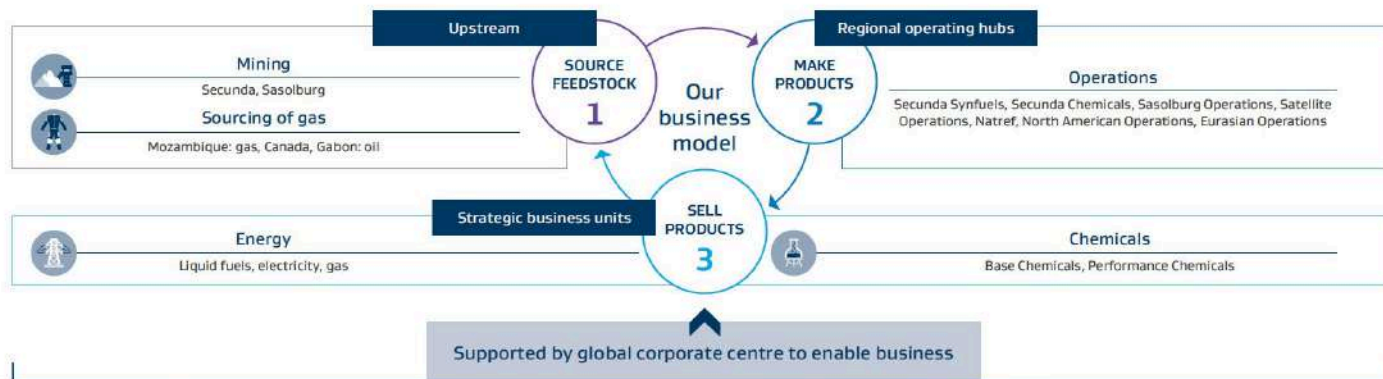
See how we are performing against our operational KPIs on pages 51 and 53

We measure and report on our wider environmental performance. Those most relevant to our stakeholders can be found on page 55, and information is available on our website at: [unitedutilities.com/corporate/responsibility/environment/and/or/commitment/performance](#)

The principal risks and uncertainties that relate to this key resource are 'health, safety and environmental risk', 'water service risk' and 'wastewater service risk'.

Read more about [how we manage risk](#) on page 54 to 56

## OUR BUSINESS MODEL AND GLOBAL PRESENCE



## CREATING VALUE THROUGH TWO DISTINCT BUSINESSES

Our integrated value chains, centred on our gas-to-liquids, coal-to-liquids, ethane cracker and chemical processes, are at the heart of our differentiated value proposition. We continue to leverage off the benefits of the value chains, as well as improve our processes to ensure safe, reliable and efficient operations with reduced environmental impacts.

### CHEMICALS



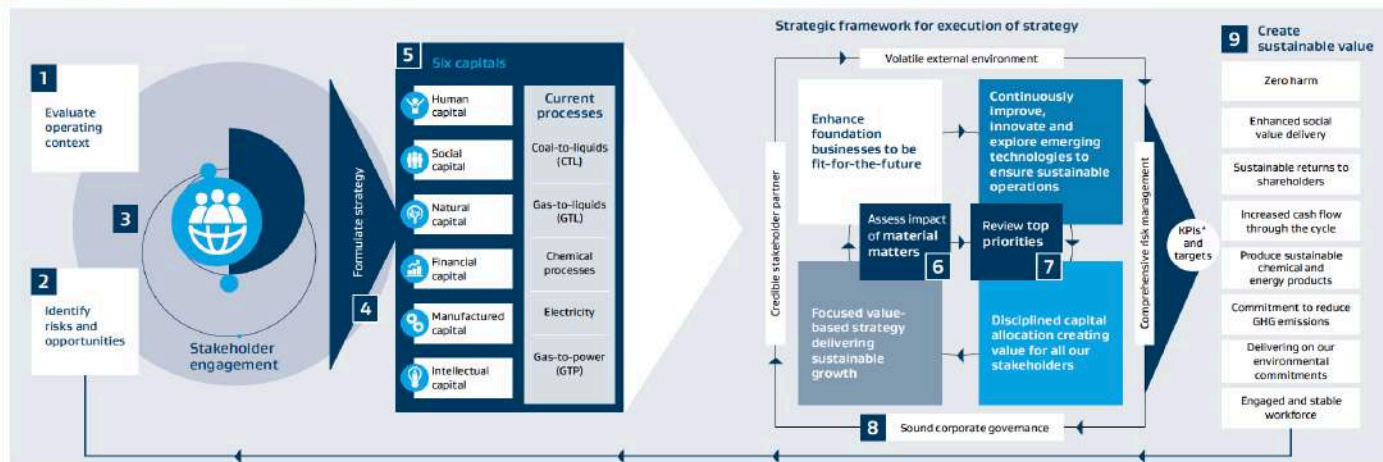
### ENERGY



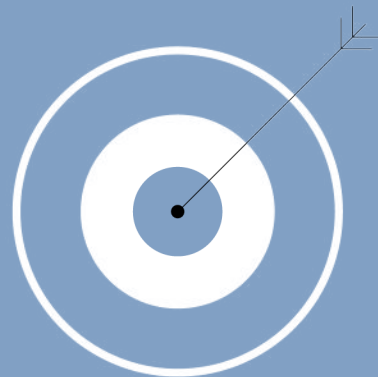


## HOW WE CREATE VALUE

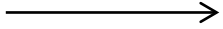
By managing our integrated value chains, we create value through our technologies and processes that convert feedstock into high-value products; our purpose is to create superior value for our customers, shareholders and other stakeholders. Through considering the impact of our operating context, relationships that are critical to our ability to create value and assessing the availability of resources, we identify risks and opportunities that can affect the delivery of our strategy. Our ongoing engagement with stakeholders enhances our reputation and improves our understanding of stakeholders' needs and interests to position us for a sustainable future.



# Before you begin



# AUTHENTIC REPORTING IS KEY



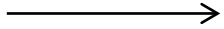
Integrated Report

**Tell**

**YOUR**

**value creation story.**

# BEFORE YOU BEGIN



Integrated Report

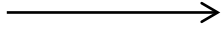
Define the **PURPOSE** of the Integrated Report

- Who is the Integrated Report for?
- What would you like to accomplish?

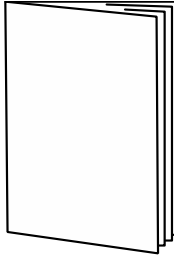
“The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time. It therefore contains relevant both financial and other.”

— THE IIRC

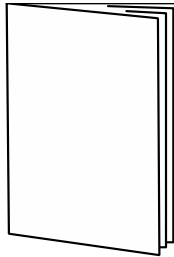
# DISTRIBUTE AND CONNECT RELEVANT CONTENT



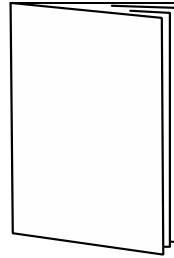
Reporting suite



Annual Integrated  
Report

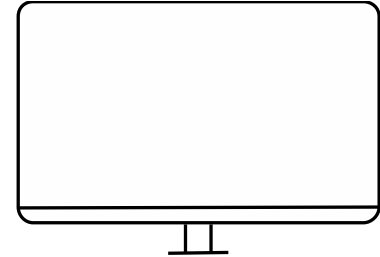


Sustainability  
Report



Governance  
Report, etc.

...



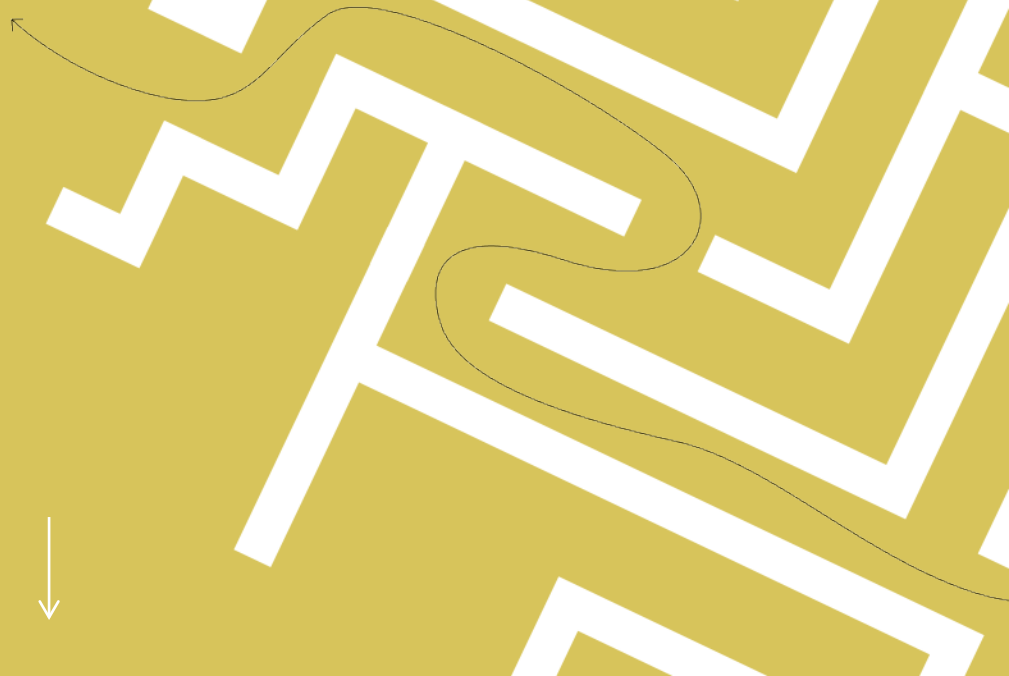
Full-HTML-Report

PDF

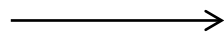
## — THE IIRC

„The integrated report can provide an entry point to more detailed information outside the designated communication, to which it may be linked (...).“

# Roadmap to Integrated Reporting



# ROADMAP



10 steps

1

Get the support of the board.

2

Build a team of experts (communications, investor relations, corporate responsibility, legal, accounting, operations).

3

Set up regular team meetings throughout the year.

4

Draft business model and define relevant capitals.

5

Draft project plan and timeline.

6

Identify existing gaps regarding content and processes.

7

Define key messages.

8

Draft detailed report structure.

9

Include independent auditor at an early stage.

10

Make sure that Management Board and Supervisory Board are always up to date.

**GOOD LUCK!**



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